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Maine Department of Economic Development

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MAINE DEVELOPMENTS

Department of Economic Development • Augusta, Maine • Standish K. Bachman, Commissioner

Vol. 5 No. 1

January, 1966

COORDINATOR

Governor John H. Reed has appointed Richard A. Hebert of the DED staff to be Federal projects coordinator for his office. Hebert will be on assignment loan to the Executive Department and will report directly to the Governor and to Steven D. Shaw, Administrative Assistant to the Governor.

The veteran DED staffer has been with the Department since its creation in 1955 and served as administrative assistant to three different Commissioners of DED, as well as a brief period as temporary Commissioner. Most recently he has been assistant to Robert O. Elliot, director of the Vacation-Travel Promotion Division.

With the increase in Federal legislation affecting economic development in many spheres of activity, the need for a Federal projects coordinator had been felt for some time. For the past two years Hebert had served, in addition to regular assignments, as secretary of the Governor's Committee for the Passamaquoddy-St. John River Hydro-Electric Projects. One of his first new assignments has been to represent the Governor's office in the presentation of the Southwestern Maine site as a possible location for the Atomic Energy Commission's proposed \$348 million proton accelerator.

BATH'S BUSY

After 23 years absence from the merchant vessel construction field, the Bath Iron Works is back in it again with a contract to build three vessels for American Export Isbrandtsen Lines, Inc. at a price of \$38,790,000. BIW President James F. Goodrich said that the contract, with others already in the works, would assure full employment in the Bath yard "at least until 1969."

The yard has been concentrating on Navy warships in recent years.

Directors of the company have approved expenditure of \$4 million for yard improvements to handle the contract, bringing capital expenditures to a total of \$20 million since World War II.

With the receipt of a \$2 million contract for marine equipment the Hyde Division of BIW has its largest backlog of orders since the Korean War, a company spokesman said. An additional 40 employees will be hired to produce the equipment for installation on attack supply ships being built in Newport News, Virginia.

Concurrently, purchase of the Badger Manufacturing Co. and removal of its machinery from Cambridge, Mass. to the Hyde plant was announced. The Badger firm, with sales approximating \$3 million, manufactures expansion joints and salt water distilling units for ships.

MAINE'S ECONOMIC PROGRESS

BY

STANDISH K. BACHMAN, *Commissioner*

DEPARTMENT OF ECONOMIC DEVELOPMENT

Maine stands at the dawning of a new year. On the basis of what transpired in the year just ended, I look for 1966 to bring continued economic progress to our state.

In men and in the affairs of men, past performance is the best indication of what may be expected in the days to come.

Looking at the record, 1965 was a good year for Maine. It saw gratifying progress in almost every facet of our economy. It saw many sizeable industrial projects started, and many completed. It saw new and diversified industry come to Maine; it saw expansions of existing business and industry. Many of our large companies were strengthened by merger with other, sometimes larger companies, and the recreation industry, so important to our over-all economy, enjoyed perhaps the best year in its history.

The records of the Department of Economic Development indicate that a total of 76 new industries and expansions added almost two and one-half million square feet of manufacturing space and some 4,638 industrial jobs to our economy during the first eleven months of 1965. Maine's personal income increased by 7.4 per cent, close to the national average of 8 per cent, according to an estimate by *Business Week* magazine.

TREND IS UPWARD

I would be the last to suggest that Maine's recent industrial progress has been sensational. But I do say that an upward trend has been established, and that growth is steady and solid.

In each of the six years of this decade, 1960-65, Maine has registered gains in number of industries operating in the State, in expansions of industries, in new industrial jobs created, and in the vacation travel business. In this period, 107 new industries have come to Maine and 157 industries have expanded their operations, not including the pulp and paper industry.

Since 1960 an estimated 20,780 new industrial jobs have been created by acquisition of new industries or by expansion of existing ones, with more than 8,000,000 square feet of new industrial floor space added.

Total investment by Maine pulp and paper companies in new plant and facilities during the past six years exceeds \$200,000,000. Maine textile mills are spending and have spent large sums in modernization and our railroads have spent millions on right of ways and in new rolling stock, which, by the way, accounts for the increase in rail freight revenue, up by 13% over 1964.

Great strides are being made in our highways system. Route 95 was completed from Old Town to Howland, on its way to Houlton. Route 1 between Bath and Brunswick will be completed in 1966, and work is progressing on the new Interstate route between Brunswick and the State Capitol at Augusta. There is reason to believe that our state's air transport system will be expanded by Northeast Airlines' new owners, the Storer Broadcasting Company.

AMPLE POWER

In view of the prime importance of ample power to industrial development, actual and proposed generating expansions for Maine during recent months are most encouraging. Kilowatt sales, incidentally, were up 13 per cent over 1964.

Details of recent electric power developments in Maine are contained elsewhere in this issue of *Maine Developments* under the heading, "Power A-Plenty."

MINES, MERGERS & SUGAR

As this was written Maine was very much in the running as the site for the Atomic Energy Commission's proposed \$348 million Proton Accelerator.

The year 1965 saw tangible results from the aerial and ground surveys which the Geological Survey Division of the Department of Economic Development has been carrying on for the past ten years. Several companies are prospecting for Maine minerals and at least one is actually in operation, taking ore from the ground. It is estimated that \$2 million was spent by commercial companies in Maine exploration during the past year. Metals discovered included copper, lead, zinc, molybdenum and silver and gold.

Maine is scheduled to join the sugar producing states for the first time in 1966, when a multi-million dollar plant will begin operation in Easton, Aroostook County.

Maine has kept pace with the rest of the country in consolidation and diversification, with many Maine companies strengthening their position by merging. The Bath Iron Works has acquired the Hyde Windlass Company; Warner Brothers bought the C. F. Hathaway Company, which incidentally has expanded twice since the merger with sites in Dover-Foxcroft and Calais; Burnham and Morrill was purchased by the William Underwood Company, just to mention a few. Maine has not lost by these mergers of its fine old companies, rather it has

(Continued on Page Three)

RUMFORD - The Oxford Paper Company has announced plans for expenditure of \$7 million in improvements, repairs and modernization of its plant in 1966. During 1965 \$5,250,000 was expended for the same purpose. This was in effect the culmination of a \$40 million, three-year improvement and modernization program.

BUCKSPORT - The St. Regis Paper Company is installing a new coating raw stock paper machine in a new building; cost approximately \$20 million.

AROOSTOOK COUNTY - Construction of 25 modern potato storage houses was completed this fall. Capacities range from 10,000 to 140,000 barrels; total capacity 742,000 barrels with an estimated value of \$1½ million.

AUBURN - Some 500 new jobs will be created in Auburn when BonAn Footwear Co., Inc. starts production in a new 160,000-sq.-ft. plant in the spring.

WINSLOW - Scott Paper Company during 1965 brought new paper machines into production in six countries: Mexico, Australia, England, Italy, Belgium and Columbia. The company has tripled its research expenditures over the past ten years.

OLD TOWN - The new \$15 million kraft-soda mill of the Penobscot Company at Great Works is scheduled to begin production early in January.

SUCCESS STORY

One of the nation's fastest growing young electronics companies increased its sales of solid tantalum capacitors by almost 50 per cent, built two new plants in Kennebunk and purchased another going electronics manufacturing firm in Arizona — all in the year 1965.

Two enterprising young engineers pooled their talents and resources five years ago to come to Maine from New Hampshire and begin operation as Components, Inc. in rented quarters in the old Saco-Lowell complex in Biddeford.

Herman Schneider, president, devoted his energies to research and production and Vice President John Hartigan so assiduously promoted sales that today their MINITAN and ECONOTAN lines have a world-wide market. They have been used as components of moon rockets and they are used by the thousands in radio and television sets here and abroad.

An interim statement reveals that Components' sales totalled \$855,543 for the six-

month period ending October 3, 1965, as compared with \$461,165 for the same 1964 period.

PROSPERED FROM START

The venture has prospered continuously since it started operation in 8000 square feet of industrial floor space rented from the Biddeford-Saco Industrial Corporation, with an investment of approximately \$50,000 and 25 employees. The first year sales totaled \$67,877.

By 1963, three years later, sales had passed the quarter-million dollar mark. Employment reached 90 in 1964 and sales grossed \$664,491.

On March 31, 1965, when Components closed its books for another fiscal year, gross sales were up to \$1,119,521 and the firm was in the process of building an 8000-sq.-ft. new plant on a 13 acre site in Kennebunk. This is fully operative now and another new plant, adjacent to and just like it, is scheduled to begin production in January, while production will continue in the original Biddeford plant.

CREDITS EMPLOYEES

Meanwhile, the company bought for \$1,555,000 the U. S. Sencor Solid State Division plant of the Nuclear Corporation of America in Phoenix, Arizona and will continue to manufacture a line of tantalum capacitors, complementary to the Components line, there.

With this acquisition Components' total employment is expected to mount to 450 and the firm has a sales potential of \$5 million annually.

At open house ceremonies for the second Kennebunk plant the 40-year-old Components president said: "In the past five years we have enjoyed a vigorous growth in the Biddeford and Kennebunk areas largely due to the magnificent effort of our employees.

"The purchase of Sencor will greatly expand our product and marketing efforts and should certainly add to an even more vigorous growth in the Biddeford and Kennebunk plants of our company."



Components, Inc., Biddeford electronics firm, increased sales by almost 50 per cent, bought another electronics company plant in Phoenix, Arizona, and built two new modern plants in Kennebunk — in 1965.

POWER A-PLENTY

Maine would have electric power coming out of its ears, with the realization of new generating facilities and transmission lines proposed during recent months.

The Army Corps of Engineers is reported to have already contracted for a preliminary aerial photographic study and survey for the Dickey-Lincoln School hydro electric power project on the St. John River in Northern Maine. Congress has made \$800,000 available for a start on the \$227 million project.

And that isn't the whole of it.

As Richard A. Hebert, DED-man serving as the governor's coordinator of Federal projects in Maine pointed out, the large capacity transmission lines which this project would require could be extended to tap the vast power possibilities of the Canadian Atlantic provinces.

And then there's the perennial tidal power project in Passamaquoddy Bay which, despite its ups and downs over the years, is by no means a dead duck at this time.

BIG DAY

On a single day in November came announcements that the six New England governors were considering setting up a non-profit corporation which would contract with the Quebec Hydro-electric Commission for two million kilowatts of firm power — and that the newly organized Yankee-Dixie Power Association had plans for a billion dollar power system that would produce low cost electricity in the Appalachia coal fields and market it to power companies from Maine to Florida and as far west as Illinois.

Yet another proposal involves a \$223 million atomic plant at Owls Head, near Rockland, to be operated by a Maine Power Authority.

Meanwhile, the Central Maine Power Company brought 125,000 new kilowatts on the line with a new generator at the Cousins Island steam plant and, a few days later, announced that it, with a group of other New England power companies, would participate in construction of a 700,000 kilowatt atomic generating installation in Maine. The plant would cost an estimated \$100 million and would go on the line in 1972.

And the Bangor Hydro-Electric Company announced formation of a new corporation, Maine Electric Power Co., to wholesale power as far as Aroostook County over a new \$5 million transmission line to be completed in 1968.

PICNICS PLENTIFUL

Use of Maine's 24 state parks increased approximately 41 per cent this year, a Maine State Park & Recreation Commission report reveals.

Through September, 1965, 1,092,642 persons used the parks for day and camping activities, compared with 773,953 for the same period last year. Sebago Lake State Park totaled the largest attendance figure, 222,476.

WORRISOME

If a man were to spend one dollar a minute from the moment he was born — and this would mean \$60 an hour, \$1,440 each 24 hours, and \$525,600 a year — he would have to live some 1902 years to spend one billion (\$1,000,000,000) dollars.

MAINE'S ECONOMIC PROGRESS (Continued from Page One)

STATISTICS

The total number of non-farm workers employed in Maine rose from 364,000 in September 1964 to 372,300 in September 1965, a gain of 7,500. The State Sales Tax revenue gained 13% in the same period.

The current *Maine Indicators*, published by the Center of Economic Research at Bowdoin College, covered the month of September. During that month the Maine Index recovered from its slight August decline and recorded a score of 120. This September mark, like that of the other months this year, was higher than the score for the same month in any previous year covered. The current mark is 10% greater than that of the same month in 1964.

VACATION TRAVEL

While detailed analysis of the 1965 vacation travel business is as yet incomplete and thus hard to assess accurately, the Federal Reserve Bank of Boston indicates that Maine's tourist volume increased by 21% last summer. By the same set of standards, the New England average was 7%. In comparison, in 1964 our summer season registered a volume increase of 8%.

WASTE MAKES HASTE

The first issue of *Maine Developments*, dated December 1961, carried the story of an ingenious young engineer, H. Potter Trainer, Jr., who bought a one hundred year old gunpowder mill in South Windham where he mixed sawdust with chemicals to produce "Pilot Lite," and sold it to backyard chefs the nation over for use as a barbecue fire starter.

Now, five years later, comes another story of ingenuity in the utilization of a Maine waste product.

The Naturecraft Company of Maine manufactures a line of some 200 gift and souvenir items in a barn in the town of Dayton. The basic ingredient is pine slabs, a waste product of sawmills. Although the company is barely six years old, it is well on the way toward a nationwide market.



J. Aime Daniels, president, DED Commissioner Standish K. Bachman and Sales Manager Ralph Clark inspect new planer at opening of Naturecraft Company of Maine plant in Dayton.

A recent survey of the vacation travel facilities in the State indicates that over \$4 million in additional facilities have been constructed in the past year and another \$6 million is proposed for 1965. Turnpike travel over the Labor Day weekend was up 22.1% over last year, clearly indicating that more tourists entered the state for post-season vacations in 1965.

Winter sports are rapidly becoming an important segment of the growing vacation travel industry in Maine, with millions of dollars invested in skiing facilities. World famous Sugarloaf at Kingfield, for instance, has recently installed a 9,000-foot, four passenger gondola lift from the base camp to the summit, at a cost of one-half million dollars.

There were 65 public skiing facilities last year, and at final count this year there will be many more. Included will be a second major ski area in the Moosehead Region, where Enchanted Mountain will have a 2000 foot T-Bar lift, a ski lodge and novice, intermediate and expert trails.

These are but a few of the developments of 1965 which lead me to believe that Maine stands upon the threshold of a period of unparalleled growth and prosperity.

The product consists of a variety of Maine flora and fauna in replica, arranged on sections of weathered pine slabs to form small novelty pieces such as ash trays, pipe holders, plaques, table decorations, TV lights, murals and the like.

The company grew out of the hobby of an amateur craftsman, J. Aime Daniels, and its first plant was in a building about the size of a two car garage, in Westbrook. Daniels was salesman as well as producer.

It was rather slow going until a professional salesman, Ralph Clark, saw the potential of the product, if handled on a wholesale basis. The two teamed up, with Clark handling sales and Daniels attending to design and production. Soon they had to hire three helpers to keep up with the demand.

Naturecraft exhibited its line at the Maine Products Show sponsored by DED in Bangor in August, picked up leads for 30 new dealer accounts and took orders for delivery of \$40,000 worth of merchandise.

Two months later they bought a farm in Dayton, moved new machinery into a remodelled portion of the barn and now have 14 employees scurrying to keep up with the orders.

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John H. Reed, Governor
Standish K. Bachman, Commissioner

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SIGNS OF THE TIMES

ROCKLAND - Poultry growers of Central Maine will have a new source for grain when a new feed mill becomes operative here next summer. Loans totaling more than half a million dollars to Knox Pier, Inc. by the Small Business Administration, together with some \$90,000 raised locally, will finance the mill, a barge to haul grain from the Great Lakes or southern ports, and a barge terminal.

BIDDEFORD - John Roberts, Inc., garment manufacturer, will be the first company to move into a 90-acre industrial park off Route 1, Biddeford, when it moves from its present plant here into a new 75,000-square-foot, one-story plant.

ORRINGTON - The International Minerals & Chemical Corp., Skokie, Ill., announced it will build a multi-million-dollar plant here for the production of chlorine, caustic soda and related products, with construction to start in the spring.

JAY - The new \$54 million International Paper Co. complex began production late in 1965. Two years under construction, the complex includes two paper machines and a pulp mill.

EASTON - Construction started on Maine Sugar Industries' \$14.7 million sugar beet processing plant here, with production scheduled for the 1966 season.

BANGOR - The Great Northern Paper Co. announced a two-year, \$50 million program of plant modernization and expansion in its Maine and southern mills. The Maine company has amalgamated with the Great Southern Land & Paper Co.

WATERVILLE - C. F. Hathaway, famed Maine short manufacturer, a subsidiary of Warner Bros. of Bridgeport, Conn., expanded twice in 1965, with a plant in Dover-Foxcroft and another in Calais.

SOUTH PORTLAND - The United Steel & Aluminum Corp. has announced plans to build a 40,000-sq.-ft. metals warehouse for its E. Corey Co. subsidiary, here.

And the Fairchild Semiconductor Co. is engaged in a \$1 million, 101,000-sq.-ft. expansion.

SANFORD - The Sprague Electric Co. of North Adams, Mass. is opening a new branch plant in a building constructed by the Sanford Industrial Development Corp.

KENNEBUNK - The Morningstar Plastic Co. is building a new 50,000-sq.-ft. plant for the manufacture of extruded plastics with occupancy scheduled for February. Plans are for 150 employees to start, 300 ultimately.

NORTH BERWICK - Stage Door, Inc., will occupy a vacant textile mill and build a 26,000-sq.-ft. industrial building, for a shoe operation.

AUGUSTA - The Hallowell Shoe Co. broke ground for its new 111,222-sq.-ft. plant.

LIVERMORE FALLS - The Livermore Shoe Co. began construction of a 30,000-sq.-ft. expansion.

BRIDGTON - The Sebago-Moc. Co., Inc. of Westbrook has purchased the former Dialectric Products 21,000-sq.-ft. building, plans to expand production of its loafer-type shoes.

GARDINER - The Gardiner Shoe Co. is considering construction of a new, modern plant here.

LEWISTON - New construction and expansion of industrial plants and business property here totaled nearly \$1 million in 1965, and employment by several firms in the Continental Mills building, vacant three years ago, reached 1,450.

SACO - The Army has awarded a \$1.482 million contract for the manufacture of machine guns to the Saco-Lowell New England Division of the Maremont Corp.

WATERVILLE - Keyes Fibre Co. has reported record sales of \$22,366,215 for the first nine months of 1965, a 14 per cent gain over the comparable 1964 period. The company manufactures molded pulp products in plants in Maine, Indiana and California; a subsidiary in the State of Washington and wholly owned or affiliated operations in Canada, Norway, France, and Italy.

HOULTON - Construction has started here on a \$500,000 wood-chip plant for Eastern Fine Paper Division of Standard Packaging Corporation. The company has announced a "multi-million" dollar refurbishing of its Brewer and Lincoln plants which is expected to achieve a 25 per cent increase in production of fine paper.

ROCKLAND - The tri-weekly, 120-year-old newspaper *Rockland Courier Gazette* has grown out of the building it has occupied on Main Street, Rockland, since 1924 and is building a new \$135,000 plant, scheduled for completion before next summer. An expanded newspaper, with increased business in publications and commercial printing make the new plant necessary, Publisher and Editor Sidney L. Cullen said.

BIDDEFORD - Substantial increases in sales and income for the fiscal year ending August 28, 1965, were reported by West Point - Pepperell, Inc. Pepperell Manufacturing Co., with cotton mills in Biddeford and Lewiston, merged with West Point Manufacturing Co. in March of this year, to form one of the nation's largest textile firms. Net sales totalled \$316,839,000, 10 per cent above last year's figure.



Breaking ground for \$14.7 million Maine Sugar Industries, Inc. refinery in Easton: U. S. Senator Edmund S. Muskie; Governor John H. Reed; Fred H. Vahlsing, Jr., president; Congressman William D. Hathaway.